

**ACCOUNTING EXAMINING BOARD
MINUTES
MADISON, WISCONSIN
MARCH 17, 2000**

PRESENT: Frank Probst, Roman Jungers, Jim Johnson, Sharon Hamilton, and Thomas Kilkenny

EXCUSED: Frederick Franklin

STAFF PRESENT: Alfred Hall, Bill Dusso, and Jan Neitzel

GUESTS: Arland Stone-WAA
LeRoy Schmidt-WI CPA

CALL TO ORDER

The meeting was called to order at 9:05 a.m. by Frank Probst, Chair. A quorum of 5 members was present.

AGENDA

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to approve the agenda as published. Motion carried unanimously.

MINUTES (12/3/99)

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to approve the minutes as written. Motion carried unanimously.

ADMINISTRATIVE REPORT

Bill Dusso, General Counsel, reported that Don Rittel has resigned and a new Board Counsel will be appointed within a few months.

Frank Probst requested that a letter be sent to Mr. Rittel thanking him for his many years of service.

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to have Frank Probst write a thank you letter to Don Rittel. Motion carried unanimously.

Secretary Cummings' Report

- Introduction of Deputy Secretary William Conway

Bill Conway, the new Deputy Secretary, introduced himself to the Board.

- Role of A Person On The Governing Body of A Regulatory Entity-Resource Briefs

The Board discussed the resource brief entitled "Role Of A Person On The Governing Body Of A Regulatory Entity."

Bureau Directors Report

- Board Roster/2000 Meeting Dates

The board received a copy of the January 2000 Roster. Noted.

The board received a copy of the year 2000 meeting dates. Noted.

- Regulatory Digest

Nothing to report.

- Applications Reviewed

Applications were reviewed March 17, 2000, by Jim Johnson. Action will be taken on the applications after closed session.

- To-Pass Folder

Information was circulated in the To-Pass Folder and duly noted.

LEGISLATIVE UPDATE

1999 Senate Bill 389 Relating to Repeal of the Certificate of Authority As A Public Accountant The Elimination of Educational and Experience Requirements for Persons Who Applied for A Certificate as a Certified Public Accountant Before July 1, 1968

Bill Dusso, Legal Services, reported that outdated provisions related to public accounting are being proposed for repeal from chapter 442 Stats. The revisions were introduced to the Legislature on February 16, 2000, and no hearing has been scheduled. Mr. Dusso stated it would be unlikely that the changes would be passed in this Legislative session and would need to be re-submitted in the next session.

The Board expressed their dissatisfaction at not being informed of the changes to chapter 442, Stats., before it was submitted to the Legislature. Mr. Dusso reminded the Board that these revisions had been submitted in the previous legislative session and then reviewed by the Board.

STRATEGIC PLANNING

Discussion of the Uniform Accountancy Act (UAA)

- UAA Exposure Draft, Third Edition, Revised

The Board unanimously supports the major provisions of the Uniform Accountancy Act (UAA).

Leroy Schmidt reported the WICPA task force is drafting recommendations on the UAA, which will include substantial equivalency, non-CPA ownership, safe harbor language and mandatory peer review. The recommendations will be submitted to the WICPA Board and approval is expected.

Mr. Schmidt reported the mandatory CPE will not be recommended at this time because there is no reliable way to measure CPE.

The Board agreed the biggest change is mandatory peer review, which indirectly includes continuing professional education.

Tom Kilkenny recommended that the Board wait until the other changes are in effect before considering re-introducing mandatory CPE.

Jim Johnson stated the peer review will automatically include CPE and does not need to be included with portions of the UAA that the Board is accepting.

LeRoy Schmidt will work with Frank Probst to have the WICPA recommendations ready for the Board's next meeting.

The Board will discuss mandatory CPE after they receive the WICPA recommendations.

- Impact Upon Wisconsin
 - a. Substantial Equivalency"...Impact Upon Adoption in Wisconsin
 - b. Comparison of UAA and Wisconsin CPA Requirements
 - c. Comparison of UAA and Wisconsin CPA Requirements Regarding Non-CPA Ownership of Firms, Licensure of CPA Firms and Use of CPA Title in Non-CPA Firms
 - d. Comparison of UAA and Wisconsin CPA Requirements Regarding Attest Service, Experience to Perform Attest Service, Safe Harbor Language and Interstate Reciprocity

MOTION: Tom Kilkenny moved, seconded by Sharon Hamilton, to amend the minutes of 12/3/99 to reflect the Board's decision to unanimously support substantial equivalency, non-CPA ownership firms, mandatory peer review and the safe harbor language as stated in the third edition of the UAA. Motion carried unanimously.

NASBA

Focus Questions-First Set 1999-2000

The Board received a copy of the letter from Lynn E. Turner, Chief Accountant, U.S. Securities and Exchange Commission, relating to timely diagnosis and effective discipline.

The Board discussed the first set of focus questions for the independence rules and agreed that changes were needed.

2000-2001 Committee Interest Form

The Board discussed the Regional Communications Forum Conference and concluded that a representative is needed to attend.

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to have Frank Probst represent the Board in a Regional Communications Forum Conference. Motion carried unanimously.

Comments for Proposed AICPA/NASBA Joint continuing Professional Education Standards

The Board received a copy of the February 11, 2000, letter from Dennis P. Spackman, CPA, NASBA Chair, relating to exposure draft of the revised AICPA/NASBA joint CPE standards.

The board will review the information on the proposed AICPA/NASBA joint continuing professional education standard for discussion at the May 12, 2000, meeting.

AICPA

Nothing to report.

EXAMINATION ISSUES

Candidate Numbers By Site

The Board received a copy of the December 3, 1999, memo from Darwin Tichenor relating to the number of candidates sitting at each of the two Wisconsin sites for the last nine administrations of the uniform CPA examination. Noted.

Scoring Errors on the November 1999 CPA Examination

Darwin Tichenor discussed the January 18, 2000, letter from Craig N. Mills, Executive Director of Examinations for the AICPA, relating to an error in the November 1999 advisory grade reports for the F.A.R.E. section of the uniform CPA examination. Mr. Tichenor reported Wisconsin candidates got their scores after the scoring error had been corrected.

Frank Probst requested that a letter be sent by the Department's examination office to the AICPA examination office expressing the Accounting Examining Board's disappointment relating to the scoring error and that the AICPA take the necessary steps to prevent a mistake like this to occur again.

Equating of Examinations

The Board received a copy of the February 23, 2000, letter from Darwin Tichenor, Office of Examinations, relating to scoring errors on the November 1999 CPA examination. Noted.

Restructuring of the Board of Examiners/Security/Fee Increases

The Board discussed representation on the AICPA Board of Examiners.

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to have Frank Probst represent the Accounting Examining Board on the AICPA Board of Examiners. Motion carried unanimously.

Darwin Tichenor reported the fee for the accounting examination is \$31.00. The fee in 2002 will be \$45.00 and the fee in the year 2003 will be \$45.00, plus a seating fee for a computer exam.

Legislative and Regulatory Changes For Computer Examination

The Board received a copy of the December 23, 1999, letter from William W. Holder, relating to computerized examinations.

Darwin Tichenor reported that he will have more information at the May 12, 2000, meeting on possible statutory or administrative code changes that may be needed to implement a computer exam.

PRACTICE QUESTIONS

Use of Contingency Fee Agreements

The Board received a copy of the February 11, 2000, letter from Rocky Cummings, Director of the Multistate Tax Services, relating to contingency fees.

Bill Dusso stated that contingency fees can be received except for the conditions stated in s. 1.302(3), Stats., which are: no certified public accountant or public accountant may receive a contingent fee from any person for whom the accountant performs attest services during the period of the attest services engagement, or the period covered by any historical financial statements involved in the attest services.

Tom Kilkenny and Bill Dusso will clarify the use of contingency fee agreements at a future meeting.

BOARD MEMBER ACTIVITY

Election of Officers

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to elect Frank Probst as Chair. Motion carried unanimously.

MOTION: Roman Jungers moved, seconded by Tom Kilkenny, to elect Sharon Hamilton as Vice-Chair. Motion carried unanimously.

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to elect Roman Jungers as Secretary. Motion carried unanimously.

MISCELLANEOUS CORRESPONDENCE/INFORMATION

Foreign Credential Evaluation Services

Nothing to report.

NEW BUSINESS

The Board discussed representation at the regional meeting in Naples, Florida, June 7-9, 2000.

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to have Tom Kilkenny attend the regional meeting. Motion carried unanimously.

The Board discussed the annual meeting in Boston, Massachusetts, September 17-20, 2000.

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to have Jim Johnson attend the annual national meeting. Motion carried unanimously.

The Board requested Alfred Hall make a notation on the roster concerning the sequence of seniority of the Board members.

RECESS TO CLOSED SESSION

MOTION: Sharon Hamilton moved, seconded by Jim Johnson to convene the meeting in Closed Session pursuant to Sections 19.85(1)(a), (b), and (f), Wis. Stats., to consider the licensing or discipline of a person licensed by the Board or the investigation of charges against such a person. Specifically, to discuss the issue of case status reports, case closings and to confer with legal counsel, monitoring issues, reinstatement requests, examination issues, deliberations on stipulations that may be signed after printing of the agenda, pending applications, and disciplinary proceedings. Motion carried unanimously by a roll call vote: Sharon Hamilton-yes; Roman Jungers-yes; Jim Johnson-yes; Tom Kilkenny-yes; Frank Probst- yes.

Open Session recessed at 10:55 a.m.

CLOSED SESSION

The Board received a copy of the Division of Enforcement Case Status Report.

The Board deliberated on pending applications, the stipulation for Robert K. Vanlanduyt, granting David Schroeder passing grades, and Class I hearings. Jill Ratzel and Karen Meyers were not present for the hearings.

RECONVENE IN OPEN SESSION

MOTION: Roman Jungers moved, seconded by Tom Kilkenny, to reconvene the meeting in Open Session at 12:10 p.m. Motion carried unanimously.

VOTING ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION

CLASS I HEARINGS

Jill R. Ratzel (Big Bend, WI)

The Board requested Alfred Hall make a notation on the roster concerning the sequence of seniority of the Board members.

The Board is requesting additional information from Jill Ratzel before a decision can be made.

Karen V. Meyers (Colfax, WI)

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to approve for licensure Karen V. Meyers. Motion carried unanimously.

STIPULATIONS

Robert K. Vanlanduyt (Whitewater, WI.)

MOTION: Roman Jungers moved, seconded by Sharon Hamilton, to accept the Stipulation, Findings of Fact, Conclusions of Law and Order in the disciplinary matter involving Robert K. Vanlanduyt. Motion carried unanimously.

EXAMINATION ISSUES

The Board granted David Schroeder credit for his passing scores.

APPLICATION REVIEW

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to approve the following applications for registration as certified public accountants. Motion carried unanimously.

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT-Approved

Applicants applied, based on examination, transfer of credit from another state (identified by #) or endorsement of license from another state (identified by *).

APPLICATIONS REVIEWED

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

Reviewed by Staff

1. Approved –29

BLOCHOWIAK, STEVEN P 3/10/00
BLOMGREN, CHARLES J # 3/2/00
BRAUN, DEBRA L 3/2/00
BULGRIN, JASON J 3/1/00
BUNTROCK, BETSY J 3/1/00
BUTT, REBECCA J 3/2/00
DESPARTE, DUANE M 3/2/00
HOPPE, SUSAN M 3/14/00
JANSMA, SONYA 3/10/00
KARLS, JOHN 3/15/00
KIENAST, MICHAEL J 3/10/00
KIM, SUSANNA C # 3/10/00
LANSER, SHAWN 3/10/00
LUDWIG, DANIEL 2/7/00
MILAND, REBECCA C 3/2/00

MOODY, DEBBIE J 3/1/00
NELSON, PATRICIA L 3/2/00
O'HANLON, KELLY A 3/10/00
PALMER, THOMAS J 3/10/00
PEARSON, CORINNE 3/14/00
PLIURA, RAMAS M 3/10/00
POWERS, PATRICK * 3/10/00
RYDER, CHAD 3/10/00
SCHMIDT, JAMES K # 3/2/00
SIEVERT, JODI 3/14/00
SHAMIM, SHMAD E # 3/2/00
STOCKWELL, DAVID R * 3/10/00
WILSON, ADRIANA 2/4/00
WRASMAN, HEATHER M 2/29/00

Applications Reviewed By The Board On March 17, 2000

1. APPROVED-43

AMMERMAN, DANIEL
BALSEWICZ, MICHAEL J
BREE, JOSEPH P
BUNKELMAN, LYN R
CHEMIEL, ANDREW
COOK, HEIDI
DAWSON, TOM
DREGER, LINDA T
DUNDON, MARK G *
FISCHER, SCOTT T
FRANDA, ANTHONY G*
GRAHAM, JASON R
HANSON, JENNIFER A #
HEDIGER, LYNN M
HENCKE, JEFFREY A
JOY, CATHERINE A

JOYNER, DAWN
KARLOVICH, SUSAN L
KILLORAN, TRACEY
KOWIESKI, JEFFREY W
KUERSCHNER, JOAN
LAST, JULIE
LEE, SUN HO
LENZ, DEBRA L
LI, MEI YEE MIRIAM
MATHISON, CRAIG A
MICKLE, JENNIFER
MICHALSKI, KERI J
MILLER, REBECCA
MORAN, BRENDON
PONCE, ANTIONETTE M
POWELL, CONNIE L

PURTELL, BRIAN P
RICHMOND, KENDALL L
RISTOW, JAMIE L
ROBERTSON, JILL D
SAARI, JOHN A
SCHMIDT, JULIE

SCHUG, LORI M
SHARKEY, RAYMOND/ P
SWITALSKI, DEANNA
THOMPSON, RICHARD C
WITH, MATTHEW J

ADJOURNMENT

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to adjourn the meeting at 12:13 p.m. Motion carried unanimously.